

## OUTOKUMPU TO INVEST OVER EUR 100 MILLION IN DEGERFORS, SWEDEN

Outokumpu invests EUR 104 million to increase capability and capacity of stainless steel quarto plate production in Degerfors. The investment is in line with Outokumpu's strategy to increase the proportion of special grades. It also strengthens the Group's position as a world-leading quarto plate producer.

Outokumpu has a global market share of some 20% in quarto plate, individually rolled wide and thick plate, used for example in chemical tankers, energy industry and desalination plants. With this investment Outokumpu can grow further and offer a wider product range with various dimensions and grades.

Bo Annvik, EVP – Specialty Stainless: "We are very positive about the future market for special grade quarto plate, tailored to customer demands. This investment enables us to produce even higher quality stainless steel. Additionally, the work environment will be improved and the environmental impact further reduced".

The capability is increased through new equipment like heat treatment batch furnaces, including cooling, and a leveler. The investment will increase annual production capacity in Degerfors by 30% to 150 000 tons. The entire production flow will be streamlined and a new walking hearth furnace and cooling bed will be installed.

The majority of the new capacity is scheduled to be available in 2014. The investment will be spread out over five years with the majority of cash out-flows in 2012 and 2013. The return on the investment is well above the Group target of 13%.

The quarto plate investment project was originally announced in October 2007 but was postponed in December 2008 due to the financial crisis and unsecure market conditions.

In the future, Outokumpu's product mix in quarto plate will include more tailor-made products, added value service offerings and special grades, in particular Outokumpu's proprietary low nickel duplex grades. The corrosion resistant high strength duplex grades offer considerable material weight savings to customers. An important part of Outokumpu's strategy is to increase sales to end-users and projects, where segments like desalination, chemical tankers, oil & gas and pulp & paper offer a lot of opportunities. Outokumpu's network of plate service centres, which now includes the recently inaugurated facility in Kunshan, China, will play an important role in developing this business.

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*Outokumpu is a global leader in stainless steel with the vision to be the undisputed number one. Customers in a wide range of industries use our stainless steel and services worldwide. Being fully recyclable, maintenance-free, as well as very strong and durable material, stainless steel is one of the key building blocks for sustainable future. Outokumpu employs some 7 500 people in more than 30 countries. The Group's head office is located in Espoo, Finland. Outokumpu is listed on the NASDAQ OMX Helsinki.*

[www.outokumpu.com](http://www.outokumpu.com)

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